

## DAILY POINTS

April 17, 2025 @ 6:50 EST

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### On Deck for Thursday, April 17

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CA	04-17	08:30	International Securities Transactions (C\$ bn)	Feb	--	--	7.9
US	04-17	08:30	Building Permits (000s a.r.)	Mar P	--	1450.0	1459.0
US	04-17	08:30	Housing Starts (000s a.r.)	Mar	1420	1420.0	1501.0
US	04-17	08:30	Housing Starts (m/m)	Mar	-5.4	-5.4	11.2
US	04-17	08:30	Initial Jobless Claims (000s)	Apr 12	225	225.0	223.0
US	04-17	08:30	Continuing Claims (000s)	Apr 05	1875	1870.0	1850.0
US	04-17	08:30	Philadelphia Fed Index	Apr	--	2.2	12.5
US	04-17	11:45	Fed's Barr Speaks in Fireside Chat				

### KEY POINTS:

- **Markets await the ECB**
- **ECB to cut, sound guarded on the bias**
- **Trump's attack on Chair Powell makes clear his intent...**
- **...which should influence the Supreme Court's pending Trump v. Wilcox decision...**
- **...as granting power to fire the Fed Chair could prompt a financial market crisis**
- **The first of Canada's election debates was a yawner**
- **Aussie jobs rebound, markets didn't care**
- **NZ inflation surprises higher, NZ 2s cheapen**
- **Yen slips as US-Japan trade talks didn't raise revaluation**
- **Light US data on tap**
- **Early bond market closes in Canada and US**

Stocks are mixed heading into the long weekend and early bond close (1pmET Canada, 2pmET US). US equity futures are up by nearly ½% to 1% while European cash benchmarks are down by +/- ½% as they catch up to yesterday afternoon's US sell off and its drivers such as Powell's incrementally hawkish talk. Sovereign yields are gently higher across benchmarks in the US and Europe. The dollar is mildly stronger except against the Scandies and with sterling holding its own. There were light overnight developments ahead of the ECB as the day's key calendar-based risk.

The yen is leading decliners to the dollar allegedly because US-Japan trade talks didn't mention the yen and that has markets thinking the US isn't pushing for it to be strengthened. I found the Japanese trade negotiator to be much more careful with his guidance on the prospects for a trade deal with the US than the US administration that sounds desperate for somebody to call them out on a date.

### TRUMP'S ATTACK ON POWELL MAKES INTENTIONS CLEAR IN SUPREME COURT CASE

Trump's remark this morning that Federal Reserve Chair "Powell's termination cannot come fast enough!" puts added pressure on the Supreme Court to make clear in its pending ruling on Trump v. Wilcox that the Federal Reserve is exempt from Trump's quest to have the authority to fire agency heads including the Fed Chair without cause and to therefore preserve the Fed's independence. To so politicize the Fed would be strong cause for selling US assets and could engineer a financial crisis.

### HUM DRUM CANADIAN ELECTION DEBATE

The first of two Canadian leaders debates was held in French last night. We learned nothing new by way of their policy stances. Carney pledged to release the Liberals' fully costed platform this weekend and Poilievre said their platform would be arriving in coming days but

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didn't mention costing. Watch for polls in the aftermath, mainly in Quebec. I didn't think any of them really made much progress, but we'll see. The highlight to me was watching Singh lose his cool at the moderator. I'll focus on their platforms and next steps in my weekly later today.

### AUSSIE JOBS REBOUND, MARKETS SHAKE IT OFF

Australia's job market rebounded but there was minimal and short-lived reaction by the A\$ and Australian rates largely because it was expected and bigger issues are ahead. 32k jobs were created in March of which 15k were full time and 17k were part time. The participation rate ticked up to 66.8% and the unemployment rate increased a tick to 4.1% due to a downward revision to the prior month's reading.

### NZ CPI WAS WARMER THAN EXPECTED

NZ CPI was a touch warmer than expected and that drove the two-year NZ yield up by about 4bps post-release. CPI was up 0.9% q/q SA nonannualized. Tradeable CPI that is more influenced by external conditions was up 0.8% and non tradeable CPI was up 1.1% and more of a reflection of domestically generated pressures. Details were mixed, with price increases led by food, followed by transportation, housing and utilities, but with little pressure from clothing and footwear, healthcare and recreation/culture categories.

### ECB TO CUT

The ECB is expected to cut by 25bps to a deposit rate of 2.25% and may be guarded on the bias (8:15amET). The policy rate is mildly restrictive into trade wars that overshadow lagging plans to ramp up defence and infrastructure spending. Still, much like the tone we heard from the BoC yesterday, I wouldn't expect Lagarde to display much of any conviction on the path forward in her press conference (8:45amET) since, well, that depends upon having confidence in the US administration's stability.

### LIGHT US DATA ON TAP

Light US data includes weekly claims and starts, both at 8:30amET.

We also released our monthly forecast update last evening. On the markets side of things, staff and clients can direct questions on the BoC, Fed, US and Canadian yield curves to me. For FX exchange rates, it's Shaun Osborne who champions them.

Fixed Income	Government Yield Curves (%):												Central Banks		
U.S. CANADA GERMANY JAPAN U.K.  CANADA GERMANY JAPAN U.K.	2-YEAR			5-YEAR			10-YEAR			30-YEAR			Current Rate		
	Last	1-day	1-wk	Last	1-day	1-wk	Last	1-day	1-wk	Last	1-day	1-wk	Canada - BoC	2.75	
	3.79	3.77	3.87	3.93	3.90	4.07	4.30	4.28	4.43	4.77	4.74	4.87			
	2.52	2.53	2.63	2.70	2.72	2.81	3.08	3.11	3.19	3.40	3.43	3.47	US - Fed	4.50	
	1.80	1.75	1.79	2.10	2.06	2.11	2.53	2.51	2.58	2.94	2.91	2.96			
	0.66	0.62	0.67	0.87	0.82	0.89	1.32	1.27	1.35	2.68	2.68	2.67	England - BoE	4.50	
	3.99	3.97	3.90	4.11	4.09	4.08	4.62	4.60	4.64	5.36	5.36	5.43			
	Spreads vs. U.S. (bps):													Euro zone - ECB	2.65
	-127	-124	-123	-123	-118	-126	-122	-117	-124	-137	-131	-140			
	-199	-202	-208	-183	-184	-196	-177	-177	-185	-183	-183	-191			
-313	-315	-320	-306	-308	-319	-299	-301	-308	-209	-206	-220				
U.K.	20	20	4	18	19	0	31	32	22	59	62	56	Japan - BoJ	0.50	
Equities	Level						% change:								Mexico - Banxico
	Last	Change					1 Day	1-wk	1-mo	1-yr	Australia - RBA	4.10			
S&P/TSX	24107	38.9					0.2	1.6	-2.7	11.3					
Dow 30	39669	-699.6					-1.7	-2.3	-5.2	5.1	New Zealand - RBNZ	3.50			
S&P 500	5276	-120.9					-2.2	-3.3	-7.0	5.0					
Nasdaq	16307	-516.0					-3.1	-4.8	-8.4	4.0	Next Meeting Date				
DAX	21199	-112.4					-0.5	3.1	-8.4	19.3	Canada - BoC	Jun 04, 2025			
FTSE	8214	-61.9					-0.7	3.8	-5.4	4.7					
Nikkei	34378	457.2					1.3	-0.7	-8.1	-9.4	US - Fed	May 07, 2025			
Hang Seng	21395	338.2					1.6	3.4	-11.4	31.6					
CAC	7274	-55.9					-0.8	2.1	-9.9	-8.9	England - BoE	May 08, 2025			
Commodities	Level						% change:								
WTI Crude	63.26	0.79					1.3	5.3	-6.4	-23.5	Euro zone - ECB	Apr 17, 2025			
Natural Gas	3.24	-0.01					-0.2	-8.9	-19.3	89.3					
Gold	3327.72	-15.40					-0.5	4.8	49.2	40.9	Japan - BoJ	May 01, 2025			
Silver	32.96	0.65					2.0	9.2	-2.8	16.6					
CRB Index	292.70	3.40					1.2	1.6	-3.9	-0.6	Mexico - Banxico	May 15, 2025			
Currencies	Level						% change:								
USDCAD	1.3898	0.0039					0.3	-0.6	-2.7	0.9	Australia - RBA	May 20, 2025			
EURUSD	1.1362	-0.0037					-0.3	1.4	4.0	6.5					
USDJPY	142.54	0.6600					0.5	-1.3	-4.5	-7.7	New Zealand - RBNZ	May 27, 2025			
AUDUSD	0.6354	-0.0017					-0.3	2.1	-0.5	-1.3					
GBPUSD	1.3231	-0.0013					-0.1	2.0	1.8	6.2					
USDCHF	0.8168	0.0035					0.4	-0.9	-7.3	-10.3					

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